determines the Reserve Price for the equity being disinvested. While the DCF method is appropriate for a going concern, the Asset Valuation method is relevant only if the company is being liquidated. The Reserve Price in respect of the equity being disinvested in BALCO, VSNL, IPCL and Centaur Hotel, Mumbai along with the bid price in each case was as follows:—

(Rs. Crore)

| Sl. No. | Name | Reserve Price | Bid Price |
|---|---|---|---|
| 1 | BALCO | 514.40 | 551.50 |
| 2 | VSNL | 1218.37 | 1439.25 |
| 3 | IPCL | 845.00 | 1490.84 |
| 4 | Centaur Hotel, Juhu Beach, Mumbai | 101.60 | 153.00 |
| 5 | Centaur Hotel Airport, Mumbai | 78.30 | 83.00 |

(b) A Shareholders Agreement (SHA) is entered into with a Strategic Partner (SP) by the Government, in those cases where less than the entire amount of equity held by Government is being sold. It stipulates the rights and obligations of the signatories to be fulfilled during the period of the Agreement. Some of the provisions inbuilt, in the SHA are protection of employees' interest, prevention of asset stripping, restriction on transfer of shares by the SP and affirmative voting right of the Government exercised through Government Nominee Director in certain matters. In the case of disinvestment of Hotel properties, since the entire holding of the Government was sold, no Shareholders Agreement was signed and only a Sharepurchase Agreement was entered into with the Purchaser.

**VRS and CRS in disinvested PSUs**

†254. SHRI HARISH RAWAT: Will the Minister of DISINVESTMENT be pleased to state:

(a) the number of employees retired so far under the VRS and CRS in public sector undertakings in which disinvestments have been made;

(b) whether Government have constituted any committee or task force for studying conditions of rehabilitation of such retired employees;

† Original notice of the question was received in Hindi.

(c) if so, whether said committee is also assessing the assurances given by the Government before the disinvestments alongwith the justification of disinvestments; and

(d) if so, the details thereof?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) As informed by 9 disinvestedPSUs, 15 disinvested hotels of ITDC and 2 hotels of Hotel Corporation of India, against an initial strength of 44,238 employees at the time of disinvestment, 8458 employees were availed of VRS, 918 employees were retired and another 1060 employees left for other reasons. As against a total of 10,436 separations, 1478 new employees have been recruited, giving a net reduction of 8958 employees or around 20% of the employees at the time of disinvestment.

(b) to (d) No, Sir. However, during a meeting of the Central Trade Unions with the Prime Minister, held on 18th October, 2002, some of the trade union leaders had complained that workers of Bharat Aluminium Company Ltd. (BALCO) and Modern Food Industries (India) Ltd. (MFIL) have been laid off/retrenched without a fair deal. In view of this, a decision was taken in the presence of the Prime Minister that a small group consisting of representatives of the trade unions, employees and the Government would be constituted to visit these industries and to look into this issue. Accordingly, a team has been constituted comprising of Shri Hasubhai Dhave, President, Bharatiya Mazdoor Sangh, Shri Sharad S. Patil, Secretary General, Employers Federation of India, Shri Sanjeev S. Ahluwalia, Joint Secretary, Ministry of Disinvestment and Shri K. Chandramouli, Joint Secretary, Ministry of Labour with the following terms of reference:—

To ascertain whether

(a) lay of/retrenchment had been resorted to by the concerned companies.

(b) there were any deviations from the Shareholders Agreement signed by these companies with the Government of India in respect of clauses dealing with labour issues.

The Committee has so far visited BALCO's head office/factory at Korba on 13-14th February 2003 and units of MFIL located at Mumbai on 29th April 2003 and at Delhi on 19th May 2003 and 28th August 2003 and has heard the views of both workers and the management.